

MONTANA LEGISLATIVE HISTORY

Chapter 227 1983

Bill H _____ S 108 Original bill & history c

H. Committee on Taxation

Hearing Date(s) 3-10 ☒ c

_____ c

_____ c

_____ c

Date Out _____ c

S. Committee on Taxation

Hearing Date(s) 2-12 ☒ c

2-16 ☒ c

2-17 ☒ c

_____ c

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

BENEFITS UNDER DISABILITY INSURANCE POLICIES AND CONTRACTS FOR THE CARE AND TREATMENT OF MENTAL ILLNESS, ALCOHOLISM, AND DRUG ADDICTION

INTRODUCED: 01/11/83

REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY: 01/20/83

HEARING: 1/26/83

REPORT: 02/07/83, DO PASS, AS AMENDED

2ND READING: 02/09/83 AYES: 31; NAYS: 18

3RD READING: 02/11/83 AYES: 34; NAYS: 13

TRANSMITTED TO HOUSE: 2/11/83

REFERRED TO COMMITTEE ON HUMAN SERVICES: 02/12/83

HEARING: 3/9/83

REPORT: 03/15/83, BE CONCURRED IN, AS AMENDED

2ND READING: 03/22/83, BE CONCURRED IN, AS AMENDED AYES: 70; NAYS: 5

3RD READING: 03/25/83, BE CONCURRED IN AYES: 85; NAYS: 9

RETURNED TO SENATE WITH AMENDMENTS: 3/25/83

2ND READING: 04/07/83, BE NOT CONCURRED IN AYES: 25; NAYS: 23

ON MOTION, 4/7/83, THAT THE BILL BE SEGREGATED FROM THE COMMITTEE OF THE WHOLE
REPORT. MOTION PASSED.

2ND READING: 04/08/83 AYES: 44; NAYS: 4

3RD READING: 04/11/83 AYES: 46; NAYS: 3

TRANSMITTED TO GOVERNOR: 04/15/83

SIGNED: 04/20/83, CHAPTER 593

SB 108 -- BOB BROWN -- TO CHANGE THE METALLIFEROUS MINES LICENSE TAX ANNUAL REPORTING REQUIREMENT TO A QUARTERLY REPORTING REQUIREMENT; ... AND PROVIDING AN APPLICABILITY DATE.

BY REQUEST OF: THE REVENUE OVERSIGHT COMMITTEE

INTRODUCED: 01/11/83

REFERRED TO COMMITTEE ON TAXATION: 01/11/83

HEARING: 2/12/83

REPORT: 02/17/83, DO PASS, AS AMENDED

2ND READING: 02/19/83 AYES: 48; NAYS: 0

3RD READING: 02/22/83 AYES: 43; NAYS: 6

TRANSMITTED TO HOUSE: 02/22/83

REFERRED TO COMMITTEE ON TAXATION: 02/28/83

HEARING: 3/10/83

REPORT: 03/11/83, BE CONCURRED IN

2ND READING: 03/12/83, BE CONCURRED IN AYES: 87; NAYS: 2

3RD READING: 03/14/83, BE CONCURRED IN AYES: 92; NAYS: 6

RETURNED TO SENATE: 3/14/83

TRANSMITTED TO GOVERNOR: 03/21/83

SIGNED: 3/25/83, CHAPTER 227

SB 109 -- TOWE, FABREGA -- TO REVISE THE LAW RELATING TO ENFORCEMENT OF SUPPORT

INTRODUCED: 01/12/83

REFERRED TO COMMITTEE ON JUDICIARY: 01/12/83

HEARING: 1/19/83

REPORT: 01/24/83, DO NOT PASS. REPORT ADOPTED.

SENATE BILL NO. 108

INTRODUCED BY B. BROWN

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 11, 1983	Introduced and referred to Committee on Taxation.
January 12, 1983	Fiscal Note requested.
January 17, 1983	Fiscal Note returned.
February 17, 1983	Committee recommend bill do pass as amended. Report adopted.
February 18, 1983	Bill printed and placed on members' desks.
February 19, 1983	Second reading, do pass.
February 21, 1983	Correctly engrossed.
February 22, 1983	Third reading, passed. Ayes, 43; Noes, 6. Transmitted to House.

IN THE HOUSE

February 28, 1983	Introduced and referred to Committee on Taxation.
March 11, 1983	Committee recommend bill be concurred in. Report adopted.
March 12, 1983	Second reading, concurred in.
March 14, 1983	Third reading, concurred in.

IN THE SENATE

March 15, 1983

Returned to Senate. Sent to
enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *108*
2 INTRODUCED BY *Bob Brown*
3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
6 METALLIFEROUS MINES LICENSE TAX FROM AN ANNUAL TAX TO A
7 QUARTERLY TAX; REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE
8 FILING OF THE RETURN; AMENDING SECTIONS 15-37-102 THROUGH
9 15-37-106, 15-37-108, AND 15-37-109, MCA; AND PROVIDING AN
10 APPLICABILITY DATE."
11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 15-37-102, MCA, is amended to read:

14 "15-37-102. Gross value of metal mine yield --
15 computation. ~~(1) The "quarterly reporting date", as used in~~
16 ~~this part, means the last day of the calendar quarter. The~~
17 ~~total "quarterly gross value of product", as used in this~~
18 ~~part, shall mean~~ means the market value of all merchantable
19 metals or precious and semiprecious gems and stones
20 extracted or produced each year ~~calendar quarter~~ from any
21 mine or mining property in the state or recovered from the
22 smelting, milling, reduction, or treatment in any manner of
23 ores extracted from any such mine or mining property or from
24 tailings resulting from the smelting, reduction, or
25 treatment of any such ores. Whenever the ores require

1 smelting, reduction, or treatment to ascertain the metal
2 contents of such ores, the ~~quarterly~~ gross value of the
3 product thereof shall be determined by taking the market
4 value of all merchantable metals or mineral products
5 extracted or recovered thereby as shown by the gross smelter
6 returns of such metals or mineral product in dollars and
7 cents without any deductions for costs of smelting,
8 reduction, or treatment or otherwise, based upon the average
9 quotations of the price of such metals or mineral products
10 in the city of New York, as evidenced by some established
11 authority or market report, giving the market reports during
12 the calendar year ~~immediately preceding quarter for which a~~
13 ~~report is being made.~~ Should there be no quotation covering
14 any particular product, the department of revenue shall fix
15 the value of such gross product or such portion thereof in
16 such a manner as may seem equitable.

17 ~~(2) The "cumulative gross value of product", as used~~
18 ~~in this part, is the sum of all quarterly gross values of~~
19 ~~product for a taxpayer for the calendar quarters during the~~
20 ~~portion of the calendar year occurring between December 31~~
21 ~~of the preceding calendar year and the most recent quarterly~~
22 ~~reporting date."~~

23 Section 2. Section 15-37-103, MCA, is amended to read:

24 "15-37-103. Rate of tax. The annual ~~quarterly~~ license
25 tax to be paid by such person engaged in or carrying on the

INTRODUCED BILL

1 business of working or operating any mine or mining property
 2 in this state from which gold, silver, copper, lead, or any
 3 other metal or metals or precious or semiprecious gems or
 4 stones are produced shall be an amount computed based on the
 5 cumulative gross value of product which may have been
 6 derived by such person from such business, work, or
 7 operation within this state during the calendar year quarter
 8 immediately preceding, at the following rates each quarterly
 9 reporting date. The cumulative tax is computed according to
 10 the following rate schedule:

11 Cumulative Gross Value	Rate of Tax
12 of Product	(percentage of
13 cumulative gross value)	
14 first \$100,000	0.15%
15 more than \$100,000 and	
16 not more than \$250,000	0.575% of the increment
17 more than \$250,000 and	
18 not more than \$400,000	0.86% of the increment
19 more than \$400,000 and	
20 not more than \$500,000	1.15% of the increment
21 more than \$500,000	1.438% of the increment

22 The tax due for the first calendar quarter is the cumulative
 23 tax computed on the cumulative gross value of product for
 24 the first calendar quarter. The tax due in any succeeding
 25 calendar quarter of the year is the cumulative tax computed

1 for that quarter less the cumulative tax computed for the
 2 immediately preceding calendar quarter."

3 Section 3. Section 15-37-104, MCA, is amended to read:
 4 "15-37-104. Mine operator's statement of gross value
 5 -- reports and sampling. (1) Every person engaged in or
 6 carrying on the business of working or operating any mine or
 7 mining property in this state from which gold, silver,
 8 copper, lead, or any other metal or metals, precious or
 9 semiprecious gems or stones are produced must, not later
 10 than April--15--in each year 60 days following the quarterly
 11 reporting date of each quarter when engaged in or carrying
 12 on any such business, work, or operation, make out a
 13 statement of the gross value of product from all mines and
 14 mining properties worked or operated by such person during
 15 the calendar year quarter immediately preceding. If good
 16 cause is shown, the department may grant a reasonable
 17 extension of the time for filing statements. Such the
 18 statement shall be in the form prescribed by the department
 19 of revenue and must be delivered to the department not later
 20 than April--15--The department may grant a reasonable
 21 extension of time for filing statements upon good cause
 22 shown therefore. Such statement shall show the following:

- 23 (a) the name, address, and telephone number of the
 24 owner, lessee, or operator of the mine or mining property;
 25 (b) the mine's location by county and legal

1 description;

2 (c) the number of tons of ore, concentrate, or other
3 mineral products or deposits extracted from the mine or
4 mining property during the period covered by the statement;

5 (d) the name and location of the smelter, mill, or
6 reduction works to which such ore or concentrate has been
7 shipped or sold during the period covered by the statement
8 and such other information as the department may require;

9 (e) the gross yield of such ores, concentrates,
10 mineral products, or deposits in constituents of commercial
11 value, that is to say, the number of ounces of gold or
12 silver, pounds of copper, lead, or zinc, or other
13 commercially valuable constituents of said ores,
14 concentrates, or mineral products or deposits, measured by
15 standard units of measurement, during the period covered by
16 the statement;

17 (f) the quarterly gross value of product in dollars
18 and cents; and

19 (g) the cumulative gross value of the product for the
20 calendar year in dollars and cents.

21 (2) This section applies regardless of the location of
22 any smelter, mill, or reduction works to which the ore or
23 concentrate is shipped.

24 (3) Any sampling, testing, or assaying made necessary
25 to comply with this section must be completed within this

1 state and prior to any mixture of the ore or concentrate to
2 be assayed with ore or concentrate from any other mine or
3 mining property."

4 Section 4. Section 15-37-105, MCA, is amended to read:
5 "15-37-105. Computation and notice payment of tax. (1)
6 ~~The department of revenue shall examine each such statement~~
7 ~~and return filed and determine and ascertain therefrom and~~
8 ~~compute and assess the amount of the license tax to be paid~~
9 ~~by the person making and filing the same and shall not~~
10 ~~later than June 1, mail to each person making and filing~~
11 ~~such statement and return a written notice of the amount of~~
12 ~~the license tax to be paid by each, respectively, that the~~
13 ~~same is due and payable; that it will become delinquent at 5~~
14 ~~p.m. on June 30 immediately following; that if the same~~
15 ~~becomes delinquent a penalty of 10% will be added thereto;~~
16 ~~and that the whole amount of such license tax, with penalty~~
17 ~~added, will bear interest at the rate of 1% per month or~~
18 ~~fraction thereof from the date the same becomes delinquent~~
19 ~~until paid. The tax due under this chapter is computed~~
20 ~~according to 15-37-103 and is due 60 days following the~~
21 ~~quarterly reporting date of each quarter. The tax due under~~
22 ~~this chapter becomes delinquent as of midnight of the 60th~~
23 ~~day following the quarterly reporting date. If good cause is~~
24 ~~shown, the department may grant a reasonable extension of~~
25 ~~time for payment of the tax. During the period of any~~

extension granted, the tax due bears interest at a rate of 1% a month or any part thereof.

(2) If any such person has sold or otherwise disposed of any of its mine's products at a price substantially below the true market price of such product at the time and place of such sale or disposal, then the department shall compute the gross value of such portion of said mine's product so sold or disposed of substantially below the market price as aforesaid, which add it to the cumulative gross value of product of the mine, and compute the tax due according to the formula provided in 15-37-103. Tax computed according to this process is considered to have been due as of midnight of the 60th day following the quarterly reporting date for the quarter in which the sale or disposal occurred. The gross value shall be based upon the quotations of the price of such mine's product in New York City at the time such portion of the product was so sold or otherwise disposed of as evidenced by some established authority or market report, such as the Engineering and Mining Journal of New York, or some other standard publication, giving the market reports for the year covered by such statement. Should there be no quotation covering any particular product, then the department shall fix the value of such gross product or such portion thereof as shall have been sold or otherwise disposed of at a price substantially below the true market

price at the time and place of such sale or disposal in such a manner as may seem to be equitable."

Section 5. Section 15-37-106, MCA, is amended to read: "15-37-106. Procedure in case of failure to file statement. If any person shall fail, refuse, or neglect to make and file such statement and return within the time prescribed, the department of revenue shall, immediately after such time has expired, ascertain and determine as nearly as may be possible from any returns or reports filed with any state or county officer or board under any law of this state and from any other information which the department may be able to obtain the total ~~cumulative~~ gross value of product of such person from such business during ~~for the calendar year--immediately--preceding-the-year-in~~ quarter for which the license tax is to be paid and shall make and file a statement showing the amount of such ~~cumulative~~ gross value of product and shall ascertain, determine, compute, and assess the amount of the license taxes due from and to be paid by such person and shall immediately give notice to such person in the same manner as though such statement had been filed within time and shall proceed to collect such license tax, adding thereto and collecting therewith if the same is delinquent the same penalty and interest as provided for herein for other delinquencies."

Section 6. Section 15-37-108, MCA, is amended to read:

"15-37-108. Delinquent taxes -- penalty. All license taxes assessed under the provisions of this part shall become delinquent if not paid by ~~5 p.m. on June 30 following the date when the same are assessed, and as the same become delinquent, on or before midnight of the 60th day following the quarterly reporting date.~~ The department shall add to the amount of delinquent metalliferous mines tax a penalty of 10%, ~~shall be added thereto and the~~ the whole amount of said license tax, ~~together~~ with penalty added, shall bear interest at the rate of 1% per month or fraction thereof ~~from the date of becoming delinquent until paid. Interest shall be computed from the date the tax becomes delinquent until it is paid. The department may waive the 10% penalty if it determines that a reasonable cause exists for failure to pay the tax on or before the 60th day following the quarterly reporting date.~~"

Section 7. Section 15-37-109, MCA, is amended to read:

"15-37-109. False or erroneous statements -- Investigation. (1) Should the director of the department of revenue have reason to believe that any statement and return is false or erroneous in any particular, he may require the person or, if made by a corporation, association, or company, the officers thereof and the employees of any such person, corporation, association, or company to appear

before the director of revenue or his agent and testify concerning the same and any statement contained therein and may examine all books, records, papers, and documents of such person pertaining to such business, upon giving 5 days' written notice to such persons or officers or employees thereof having custody of such books, records, papers, and documents. Any person failing, refusing, or neglecting to so appear or refusing to be sworn or to testify or refusing to answer any material question propounded by the director or any of his employees or refusing to permit the director or his employees to examine such books, records, papers, or documents or any thereof pertaining to such business shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or by imprisonment in the county jail for a term not exceeding 6 months or by both such fine and imprisonment. If the director, after hearing such evidence and after such examination of the books, papers, documents, and records of such person, shall find and determine that such statement and return are erroneous or false in any material matter, the director shall change and correct the same so as to show the true cumulative gross value of product and shall reassess the amount of the license tax due from such person and may add thereto a penalty of not exceeding 50% and shall thereupon immediately mail to such person a written notice

1 of the corrections and changes made in such statement and
2 return and the amount of the license tax and penalty due and
3 payable.

4 (2) The department shall collect such license tax with
5 penalty added, and if the same has become delinquent, it
6 shall also collect interest thereon from the date of
7 delinquency until paid, at the rate of 1% per month or
8 fraction thereof. In order to verify such statement and
9 return, the department may require any person engaged in the
10 business of smelting, milling, reduction, or treatment in
11 any manner of ores extracted or produced from any mine or
12 mining property in the state of Montana to appear before the
13 director of revenue and testify concerning the gross mineral
14 content of any such ore or at the request of said director
15 to furnish sworn statements showing the gross yield of such
16 ores, mineral products, or deposits in constituents of
17 commercial value, that is to say, the number of ounces of
18 gold or silver, pounds of copper, lead, or zinc, or other
19 commercially valuable constituents of said ores or mineral
20 products or deposits, measured by standard units of
21 measurement, during the period covered by such statement,
22 without any deductions whatsoever for smelting, milling,
23 reduction, or treatment of such ores or mineral product.

24 (3) The books, records, papers, and documents of such
25 person engaged in the business of smelting, milling,

1 reduction, or treatment in any manner of ores extracted or
2 produced by any mine or mining property in the state shall
3 be open to inspection and examination by the director of
4 revenue or his employees at any time or place that the
5 director may designate.

6 (4) If any person required by this part to make or
7 file any statement or to verify, under oath, any statement
8 shall make such statement false in any material respect or
9 shall verify, under oath, any statement false in any respect
10 or shall fail, neglect, or refuse to file any statement
11 required by said department or shall refuse to appear before
12 the director of revenue to testify concerning the gross
13 mineral content of any such ore or shall refuse to allow the
14 director or his employees at any time or place to inspect or
15 examine the books, records, papers, and documents of such
16 person engaged in the business of smelting, milling,
17 reduction, or treatment in any manner of ores extracted or
18 produced by any mine or mining property in the state of
19 Montana shall be deemed guilty of a misdemeanor and shall be
20 punished by a fine of not exceeding \$1,000 or by
21 imprisonment in the county jail for not exceeding 6 months
22 or by both such fine and imprisonment."

23 NEW SECTION. Section 8. Applicability. This act is
24 applicable to tax years beginning after December 31, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 086-83

FISCAL NOTE

Form BD-15

compliance with a written request received January 12, 19 83, there is hereby submitted a Fiscal Note
Senate Bill 108 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 108 changes the metalliferous mines license tax from an annual tax to a
quarterly tax; requires payment of the tax to accompany the filing of the return;
and provides an applicability date.

ASSUMPTIONS:

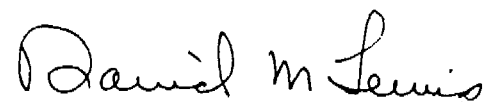
- 1) The FY 84 and FY 85 revenue estimate assume no production by the Anaconda
Mineral Company in Silver Bow County after June 30, 1983.

	<u>Collections Under Current Law</u>	<u>Collections Under Proposed Law</u>
FY 84	\$ 968,000	\$ 968,000
FY 85	482,000	482,000

FISCAL IMPACT:

The proposed legislation should have no fiscal impact other than accelerating tax
collections, which may result in a slight increase in investment earnings.

FISCAL NOTE 4:J/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-17-83

COMMITTEE ON TAXATION (SENATE)

Page 1

SENATE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO NOT PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
21	1/3/83	1/12/83	2/1/83	Referred to local government committee					
36	1/3/83	1/14/83	1/14/83	1/14/83					
42	1/3/83	Tabled on	1/18/83						
50	1/3/83	1/11/83	Tabled on	1/17/83					
68	1/6/83	1/12/83	1/12/83	1/12/83					
72	1/6/83	1/13/83	2/1/83			1/27/83			
73	1/6/83	1/13/83	1/13/83			1/13/83			
76	1/6/83	3/1/83		(Motion to DO PASS failed; no adverse motion made)					
80	1/7/83	2/16/83	2/19/83		2/19/83				
82	1/7/83	1/11/83	1/17/83			1/17/83			
94	1/11/83	1/21/83	2/11/83			2/10/83			
96	1/11/83	1/14/83	1/31/83			1/25/83			
97	1/11/83	2/4/83	2/19/83		2/19/83	(As amended, do not pass)			
108	1/11/83	2/12/83	2/17/83			2/17/83			
110	1/12/83	1/19/83	1/28/83			1/25/83			
131	1/13/83	1/20/83	Laid on the table	--1/31/83					

(Use Separate Sheet for Senate, House Bills, and Resolutions)

(NOTE: These sheets indicate the status of the bills heard from time to time; the attached index indicates all of the dates on which the respective bills were discussed.)

Questions from the committee were called for.

Senator Lynch wondered if there was any type of blue book on computers. Mr. Bertelsen thought somewhere there should be one.

Senator Severson noted that office equipment has 5 years' depreciation. Mr. Bucks stated that if the donation is made, the remaining value not depreciated out would be the value assigned to the equipment.

Senator Towe didn't agree. You are donating property for a purpose for which the institution was designed so you get fair market value instead of cost basis value. He noted that the codification instruction placed this in the income tax section.

Mr. Weinberg explained that when a Montanan does an individual tax return, he will go to 15-30-114 or 15-30-115, MCA, which say Montana adjusted gross income is gross income less this and less that. There is no mechanism to bring the deduction down.

Senator Towe asked if there was a reason individuals were not included in this. Senator Mazurek, the sponsor, said he had no objection to individuals being included. Proposed section 15-31-114(9)(b) would have to be changed though.

Mr. Weinberg noted that the way it is now, it is aimed at manufacturers and distributors.

Senator Hager wondered how Mr. Weinberg's proposed amendments (on Exhibit F) would affect home schools or non-accredited schools. Mr. Weinberg said barber schools, trade schools, College of Great Falls, etc., would qualify under that language.

Senator Eck wondered why the University System could get a tax write-off but a public school couldn't. Dan Bucks stated that he was informed that contributions to public schools qualify as federal charitable contributions under state laws.

In closing, Senator Mazurek said he had requested a fiscal note, and it does not predict the effect of this bill.

CONSIDERATION OF SENATE BILL 108: Senator Bob Brown, Senate District 10, said SB 108 deals with the same situation we dealt with in SB 72 but with the metal mines tax, and he turned discussion of the bill over to Dan Bucks from the Department of Revenue.

PROPOSERS

Mr. Bucks said the bill required quarterly reporting and quarterly payment of tax. The amendments attached as Exhibit G have made quarterly reporting and an annual tax. The penalty, if the return is not timely filed, can be waived if good cause is shown. Annual payments of tax will be due on March 1. This makes two changes in existing law that are not comparable to what we did

in SB 72. Right now, an annual report of gross yield is made on or before April 15. Payment is due on June 30. The department prefers that the tax be self-assessing, and they prefer to move the reporting date to March 1 for uniformity and standardization. We are trying to move from the 1920s and 1930s to the mid-1970s. There hasn't been any change in administrative practices since then. Mr. Bucks also submitted a grey bill with the Exhibit G changes incorporated therein, and it is attached as Exhibit H.

OPPONENTS

Ward Shanahan, representing Stillwater PGM Resources, said SB 108 makes this consistent with the resource indemnity trust tax, and from that standpoint, they are agreeable to the bill. He had a problem, though, with the bill title which says payment of the tax accompanies the return. He assumed the next step would be to make taxes payable quarterly, but he asked the committee to remember that it is a property tax.

Questions from the committee were called for.

Senator Towe asked when the resource indemnity trust tax was due. Mr. Shanahan replied that you don't have a total annual yield until the end of the year. He was not in agreement with moving the reporting date up, but was in agreement with having the same reporting date.

Senator Towe noted the coal tax is paid 30 days after the end of a quarter. Mr. Bucks replied that all others are basically due 60 days after the end of a quarter.

Mr. Shanahan said that when coal is sold, you get paid right away, but that is not the case with metals.

Senator Gage thought this was a license tax rather than a property tax.

The hearing on SB 108 was closed.

DISPOSITION OF SENATE BILL 254: Senator Gage moved that SB 254 DO NOT PASS. The motion was seconded and a roll call vote was taken. The motion passed 7-5, with one member abstaining and two members absent at the time the vote was taken. Senator Gage will prepare the adverse committee report and will carry the bill on the floor.

CONSIDERATION OF SENATE BILL 329: Senator McCallum moved to lay SB 329 on the table. The motion was seconded. Senator Severson stated that he had made a comparison of the inventory tax, livestock tax, and unprocessed produce tax, all in the same category. Everyone should pay his fair share to support the government, he said. We have eliminated the unprocessed produce and the inventory tax, and to be consistent, he said he would sponsor a committee bill to delete the livestock tax also.

ROLL CALL

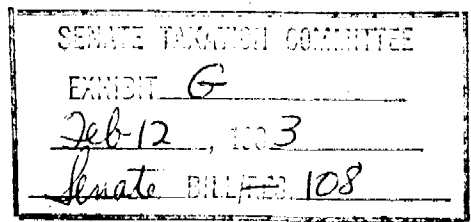
SENATE TAXATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/12/83

NAME	PRESENT	ABSENT	EXCUSED
SENATOR GOODOVER, CHAIRMAN	✓		
SENATOR McCALLUM, VICE CHAIRMAN	✓		
SENATOR BROWN	✓		
SENATOR CRIPPEN	✓		
SENATOR ELLIOTT		✓	
SENATOR GAGE	✓		
SENATOR TURNAGE	✓		
SENATOR SEVERSON	✓		
SENATOR HAGER	✓		
SENATOR ECK	✓		
SENATOR HALLIGAN	✓		
SENATOR LYNCH	✓		
SENATOR NORMAN	✓		
SENATOR TOWE	✓		
SENATOR MAZUREK	✓		



Amend SB 108 as follows:

- (1) Title, page 1, line 7.
Following: "TO A QUARTERLY
Strike: "TAX"
Insert: "REPORT ON GROSS YIELD"
- (2) Title, page 1, line 8.
Following: "FILING OF THE"
Insert: "MARCH 1"
- (3) Section 1, page 2, lines 17 through 22.
Strike: subsection (2) in its entirety
- (4) Section 2, pages 2, 3, and 4.
Strike: Section 2 in its entirety
- (5) Section 3, page 5, line 18.
Strike: and
- (6) Section 3, page 5, lines 19 and 20.
Strike: subsection (g) in its entirety
- (7) Section 3, pages 5 and 6
Following: subsection (3)
Insert: (4) If the quarterly statement of gross value described herein is not filed with the Department within 60 days following the calendar quarter ending, a penalty shall be assessed. The penalty shall be the greater of \$25 or 2% of the tax that would be due under (this act) if collected quarterly. If good cause is shown, the Department may waive the penalty.
- (8) Section 4, page 6, lines 20 through 23.
Following: "and is due"
Strike: "60 days following the quarterly reporting date of each quarter. The tax due under this chapter becomes delinquent as of midnight of the 60th day following the quarterly reporting date."
Insert: "and payable on or before March 1 of each year for the products produced in the preceding calendar year. The tax due under this chapter becomes delinquent as of midnight on March 1 of the year immediately following the production year."
- (9) Section 4, page 7.
Strike: subsection (2) in its entirety
- (10) Section 5, page 8, lines 4 and 5.
Following: "file"
Strike: "Statement"
Insert: Statements

- (11) Section 5, page 8, line 6.
Following: "file"
Strike: "such statement and return within the time prescribed"
Insert: "all required quarterly statements of gross yield for
a production year on or before March 1 of the year
immediately following the production year"
- (12) Section 5, page 8, line 12.
Strike: cumulative
Insert: total
- (13) Section 5, page 8, line 14.
Strike: for
Insert: during
- (14) Section 5, page 8, line 14.
Following: "calendar"
Strike: "quarter for"
Insert: year immediately preceding the year in
- (15) Section 5, page 8, lines 16 and 17.
Following: "such"
Strike: cumulative
- (16) Section 6, page 9, line 6.
Strike: the 60th day following the quarterly reporting date
Insert: "March 1 of the year immediately following the
production year."
- (17) Section 6, page 9, line 9.
Following: "of"
Strike: 10%
Insert: 8%
- (18) Section 6, page 9, line 14.
Following: "may waive the"
Strike: 10%
Insert: 8%
- (19) Section 6, page 9, line 16.
Following: "on or before"
Strike: "the 60th day following the quarterly reporting date"
Insert: "March 1 of the year immediately following the
production year."
- (20) Section 7, page 10, line 22.
Following: "true"
Strike: cumulative

SENATE & HOUSE COMMITTEE	
SENATE	H
Feb 12	3
Senate	BILL/RES. 108

5 BILL NO. 108

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METALLIFEROUS MINES LICENSE TAX FROM AN ANNUAL TAX TO A QUARTERLY REPORT OF GROSS YEILD; REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE FILING OF THE MARCH 1 RETURN; AMENDING SECTIONS 15-37-102, 15-37-103, 13-37-104, 15-37-105, 15-37-106, 15-37-108, AND 15-37-109, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-37-102, MCA, is amended to read:

"15-37-102. Gross value of metal mine yield -- computation. (1)
The "quarterly reporting date", as used in this part, means the last day of the calendar quarter. The total "quarterly gross value of product", as used in this part, shall mean the market value of all merchantable metals or precious and semiprecious gems and stones extracted or produced each year calendar quarter from any mine or mining property in the state or recovered from the smelting, milling, reduction, or treatment in any manner of ores extracted from any such mine or mining property or from tailings resulting from the smelting, reduction or treatment of any such ores. Whenever the ores require smelting, reduction or treatment to ascertain the metal contents of such ores, the quarterly gross value of the product thereof shall be determined by taking the market value of all merchantable metals or mineral products extracted or recovered thereby as shown by the gross smelter returns of such metals or mineral product in dollars and cents

without any deductions for costs of smelting, reduction, or treatment or otherwise, based upon the average quotations of the price of such metals or mineral products in the city of New York, as evidenced by some established authority or market report, giving the market reports during the calendar ~~year immediately preceding~~ quarter for which a report is being made. Should there be no quotation covering any particular product, the department of revenue shall fix the value of such gross product or such portion thereof in such a manner as may seem equitable.

Section 2. Section 15-37-104, MCA, is amended to read: -- reports and sampling. (1) Every person engaged in or carrying on the business of working or operating any mine or mining property in this state from which gold, silver, copper, lead, or any other metal or metals, precious or semiprecious gems or stones are produced must, not later than ~~April 15 in such year~~ sixty days following the quarterly reporting date of each quarter when engaged in or carrying on any such business, work, or operation, make out a statement of the gross value of product from all mines and mining properties worked or operated by such person during the calendar year quarter immediately preceding. If good cause is shown, the department may grant a reasonable extension of the time for filing statements. ~~Such~~ The statement shall be in the form prescribed by the department of revenue and ~~must be delivered to the department not later than April 15.~~ The department may grant a

reasonable extension of time for filing statements upon good cause shown therefor. Such statement shall show the following:

(a) the name, address, and telephone number of the owner, lessee, or operator of the mine or mining property;

(b) the mine's location by county and legal description;

(c) the number of tons of ore, concentrate, or other mineral products or deposits extracted from the mine or mining property during the period covered by the statement;

(d) the name and location of the smelter, mill, or reduction works to which such ore or concentrate has been shipped or sold during the period covered by the statement and such other information as the department may require;

(e) the gross yield of such ores, concentrates, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores, concentrates, or mineral products or deposits, measured by standard units of measurement, during the period covered by the statement;

(f) the quarterly gross value of product in dollars and cents;

(2) This section applies regardless of the location of any smelter, mill, or reduction works to which the ore or concentrate is shipped.

(3) Any sampling, testing, or assaying made necessary to comply with this section must be completed within this state and prior to any mixture of the ore or concentrate to be assayed with ore or concentrate from any other mine or mining property."

(4) If the quarterly statement of gross value described herein is not filed with the Department within 60 days following the calendar quarter ending, a penalty shall be assessed. The penalty shall be the greater of \$25 or 2% of the tax that would be due under (this act) if collected quarterly. If good cause is shown, the Department may waive the penalty.

Section 3. Section 15-37-105, MCA, is amended to read:

"15-37-105. Computation and notice payment of tax. (1) The department of revenue shall examine each such statement and return filed and determine and ascertain therefrom and compute and assess the amount of the license tax to be paid by the person making and filing the same and shall, not later than June 1, mail to each person making and filing such statement and return a written notice of the amount of the license tax to be paid by each respectively; that the same is due and payable; that it will become delinquent at 5 p.m. on June 30 immediately following; that if the same becomes delinquent, a penalty of 10% will be added thereto; and that the whole amount of such license tax, with penalty added, will bear interest at the rate of 1% per month or fraction thereof from the date the same becomes delinquent until paid. The tax due under this chapter is computed according to (Section 15-37-103) and is due and payable on or before March 1 of each year for the gross value of the products produced in the preceding calendar year. The tax due under this chapter becomes delinquent as of midnight on March 1 of the year immediately fol-

lowing the production year. If good cause is shown, the department may grant a reasonable extension of time for payment of tax. During the period of any extension granted, the tax due shall bear interest at a rate of 1% per month or any part thereof.

Section 4. Section 15-37-106, MCA, is amended to read:

"15-37-106. Procedure in case of failure to file ~~statement-~~
statements. If any person shall fail, refuse, or neglect to make and
file such ~~statement~~ and ~~return within the time prescribed,~~ all
required quarterly statements of gross yield for a production year on
or before March 1 of the year immediately following the production
year, the department of revenue shall, immediately after such time has
expired, ascertain and determine as nearly as may be possible from any
returns or reports filed with any state or county officer or board
under any law of this state and from any other information which the
department may be able to obtain the total gross value of product of
such person from such business during the calendar year immediately
preceeding the year in year immediately preceding the year in which the
license tax is to be paid and shall make and file a statement showing
the amount of such gross value of product and shall ascertain, deter-
mine, compute, and assess the amount of the license taxes due from and
to be paid by such person and shall immediately give notice to such
person in the same manner as though such statement had been filed
within time and shall proceed to collect such license tax, adding
thereto and collecting therewith if the same is delinquent the same
penalty and interest as provided for herein for other delinquencies."

Section 5. Section 15-37-108, MCA, is amended to read:

"15-37-108. Delinquent taxes -- penalty. All license taxes assessed under the provisions of this part shall become delinquent if not paid by 5 p.m. on June 30 following the date when the same are assessed, and as the same become delinquent, on or before March 1 of the year immediately following the production year. The department shall add to the amount of delinquent metalliferous mines tax a penalty of ~~10%~~ 8%. ~~shall be added thereto and the~~ The whole amount of ~~said~~ license tax, together with penalty ~~added~~, shall bear interest at the rate of 1% per month or fraction thereof ~~from the date of becoming delinquent until paid.~~ Interest shall be computed from the date the tax becomes delinquent until it is paid. The department may waive the 8% penalty if it determines that a reasonable cause exists for failure to pay the tax on March 1 of the year immediately following the production year."

Section 6. Section 15-37-109, MCA, is amended to read:

"15-37-109. False or erroneous statements -- investigation. (1) Should the director of the department of revenue have reason to believe that any statement and return is false or erroneous in any particular, he may require the person or, if made by a corporation, association, or company, the officers thereof and the employees of any such person, corporation, association, or company to appear before the director of revenue or his agent and testify concerning the same and any statement contained therein and may examine all books, records, papers, and documents of such person pertaining to such business, upon

giving 5 days' written notice to such persons or officers or employees thereof having custody of such books, records, papers, and documents. Any person failing, refusing, or neglecting to so appear or refusing to be sworn or to testify or refusing to answer any material question propounded by the director or any of his employees or refusing to permit the director or his employees to examine such books, records, papers, or documents or any thereof pertaining to such business shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or by imprisonment in the county jail for a term not exceeding 6 months or by both such fine and imprisonment. If the director, after hearing such evidence and after such examination of the books, papers, documents, and records of such person, shall find and determine that such statement and return are erroneous or false in any material matter, the director shall change and correct the same so as to show the true gross value of product and shall reassess the amount of the license tax due from such person and may add thereto a penalty of not exceeding 50% and shall thereupon immediately mail to such person a written notice of the corrections and changes made in such statement and return and the amount of the license tax and penalty due and payable.

(2) The department shall collect such license tax with penalty added, and if the same has become delinquent, it shall also collect interest thereon from the date of delinquency until paid, at the rate of 1% per month or fraction thereof. In order to verify such statement and return, the department may require any person engaged in

the business of smelting, milling, reduction, or treatment in any manner of ores extracted or produced from any mine or mining property in the state of Montana to appear before the director of revenue and testify concerning the gross mineral content of any such ore or at the request of said director to furnish sworn statements showing the gross yield of such ores, mineral products, or deposits in constituents of commercial value, that is to say, the number of ounces of gold or silver, pounds of copper, lead, or zinc, or other commercially valuable constituents of said ores or mineral products or deposits, measured by standard units of measurement, during the period covered by such statement, without any deductions whatsoever for smelting, milling, reduction, or treatment of such ores or mineral product.

(3) The books, records, papers, and documents of such person engaged in the business of smelting, milling, reduction, or treatment in any manner of ores extracted or produced by any mine or mining property in the state shall be open to inspection and examination by the director of revenue or his employees at any time or place that the director may designate.

(4) If any person required by this part to make or file any statement or to verify, under oath, any statement shall make such statement false in any material respect or shall verify, under oath, any statement false in any respect or shall fail, neglect, or refuse to file any statement required by said department or shall refuse to appear before the director of revenue to testify concerning the gross mineral content of any such ore or shall refuse to allow the director

or his employees at any time or place to inspect or examine the books, records, papers, and documents of such person engaged in the business of smelting, milling, reduction, or treatment in any manner of ores extracted or produced by any mine or mining property in the state of Montana shall be deemed guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1,000 or by imprisonment in the county jail for not exceeding 6 months or by both such fine and imprisonment."

NEW SECTION. Section 8. Applicability. This act is applicable to taxable years beginning after December 31, 1983.

-END-

them with credits, so the money is not there to pay taxes on. The committee should look at where income tax indexing needs fine tuning. It raises revenue and promotes economic development in the state.

Senator Turnage moved that SB 376 DO NOT PASS. Senator Lynch made a substitute motion that SB 376 be tabled. The substitute motion was seconded. Senator Turnage reminded the committee that the administration said it would not approve any general tax increases.

Senator Towe thought Senator Lynch's motion was a good idea. We might want to just table the bill in case something comes up later.

A roll call vote was taken and the motion to table SB 376 passed 8-6 (Senator Halligan being absent at the time the vote was taken). The roll call vote sheet is attached to these minutes.

DISPOSITION OF SENATE BILL 108: Senator Brown moved that the committee adopt the Department of Revenue's amendments submitted when the bill was heard on February 12. (See Exhibits G and H to the February 12, 1983, minutes.) The motion was seconded and passed unanimously.

Senator Brown then moved that SB 108 DO PASS AS AMENDED. The motion was seconded and passed, with Senators Elliott, Gage, Hager, and Severson voting no.

Senator Brown asked those who voted no for their reasons for doing so.

Senator Elliott felt the Department of Revenue did not present a strong enough case for quarterly returns. He thought the bill was unnecessary.

Senator Towe noted that coal taxes are required on quarterly reports. They were going to make the coal taxes payable on a quarterly basis also.

Senator Gage said he voted against the other quarterly one, also. SB 108 will be more work for the taxpayer. Why keep adding more?

Senator Severson felt the legislature was getting penalty happy this session.

DISPOSITION OF SENATE BILL 281: Senator Hager said he would carry this bill on the floor if it gets there. Senator McCallum asked if they wanted to vote to let local governments have the option to tax. Local governments can put anything out to a vote of the people, he said.

Senator Crippen moved that SB 281 DO PASS. The motion was seconded and passed unanimously.

Senator Elliott asked what the definition of "active guard" was. John F. Walsh, military personnel management officer for the Guard, explained the difference between active national guard, inactive guard and retired guardsmen. The plates, he said, will be available to active guardsmen only.

Senator Brown moved that SB 330 DO PASS AS AMENDED. The motion was seconded and passed unanimously.

RECONSIDERATION OF SENATE BILL 108: Senator Turnage moved that the committee reconsider its action taken on SB 108. The motion was seconded and carried unanimously.

Senator Turnage then moved that Cort Harrington, the committee's staff attorney, prepare amendments in proper form with the view of just striking the new material at page 2, line 17. The motion was seconded and passed unanimously.

Senator Turnage then moved that SB 108, as further amended, DO PASS. The motion was seconded and passed, with Senator Elliott voting no.

DISPOSITION OF SENATE BILL 242: At the time SB 242 was heard, Senator Towe questioned why the exemption had to be \$100, which is what the federal exemption is. The Department of Revenue had stated that they would have no objection to the exemption for both estates and trusts being raised to the amount of personal exemption an individual is allowed on his or her individual income tax return.

Senator Turnage moved that the following amendment be adopted:

Page 10, line 4.

Following: "(2)"

Strike: remainder of line 4 through line 8

Insert: "The exemption allowed for estates and trusts is that exemption provided in 15-30-112(2)(a) and 15-30-112(8)."

The motion was seconded. Dan Bucks, representing the Department of Revenue, asked if it was the intent that it be for an estate or trust to have a single exemption allowed, and if the motion was being made based on that assumption, the Department would be agreeable to it. The committee stated that that was the intent.

A vote was taken on the amendments, and the motion passed unanimously.

Senator Gage then moved that SB 242 DO PASS AS AMENDED. The motion was seconded and passed unanimously.

CONSIDERATION OF SENATE BILL 288: Senator Harold Dover, Senate District 25, was the sponsor of this bill. He introduced John Braunbeck from Montana Intermountain Oil Marketers Association.

February 17 19 83

MR. **PRESIDENT**We, your committee on **taxation**having had under consideration **Senate** Bill No. **108**Respectfully report as follows: That **Senate** Bill No. **108**

introduced bill, be amended as follows:

1. Title, line 6.

Following: "TAX"

Strike: "FROM AN"

Following: "ANNUAL"

Strike: "TAX TO A"

Insert: "REPORTING REQUIREMENT TO A"

2. Title, line 7.

Following: "QUARTERLY"

Strike: "TAX"

Insert: "REPORTING REQUIREMENT"

3. Title, line 8.

Following: "THE"

Insert: "MARCH 1"

~~EXCESS~~

(Continued on page 2)

SENATE BILL 108

February 17, 1983

4. Page 2, line 17.

Strike: subsection (2) in its entirety

5. Page 2, line 23.

Strike: section 2 in its entirety

Renumber: all subsequent sections

6. Page 5, line 18.

Following: "cents"

Strike: "; and"

7. Page 5, line 19.

Strike: subsection (g) in its entirety

8. Page 6.

Following: line 3

Insert: "(4) If the quarterly statement of gross value described herein is not filed with the department within 60 days following the calendar quarter ending, a penalty shall be assessed. The penalty shall be the greater of \$25 or 2% of the tax that would be due under [this act] if collected quarterly. If good cause is shown, the department may waive the penalty."

9. Page 6, line 20.

Following: "due"

Strike: remainder of line 20 through "date" on line 23.

Insert: "and payable on or before March 1 of each year for the products produced in the preceding calendar year. The tax due under this chapter becomes delinquent as of midnight on March 1 of the year immediately following the production year"

10. Page 7, line 9.

Following: "aforesaid,"

Strike: remainder of line 9 through line 14

Insert: "which"

11. Page 8, line 5.

Strike: "statement"

Insert: "statements"

12. Page 8, lines 6 and 7.

Strike: "such statement and return within the time prescribed"

Insert: "all required quarterly statements of gross yield for a production year on or before March 1 of the year immediately following the production year,"

13. Page 8, line 12.

Following: "total"

Strike: "cumulative"

Insert: "total"

(Continued on page 3)

February 17 19 83

14. Page 8, line 14.

Strike: "for"Insert: "during"

15. Page 8, line 15.

Strike: "quarter for"

Insert: "year immediately preceding the year in"

16. Page 8, line 17.

Strike: "cumulative"

17. Page 9, lines 6 and 7.

Following: "of"Strike: "the 60th day following the quarterly reporting date"Insert: "March 1 of the year immediately following the
production year"

18. Page 9, line 9.

Strike: "10%"Insert: "8%"

19. Page 9, line 14.

Following: "waive the"Strike: "10%"Insert: "8%"

20. Page 9, lines 16 and 17.

Following: "before"Strike: "the 60th day following the quarterly reporting date"Insert: "March 1 of the year immediately following the
production year"

21. Page 9, line 18.

Strike: section 7 in its entirety

And, as so amended

DO PASS

J/C

TAXATION

COMMITTEE

48th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 108	AN ACT TO CHANGE THE METALLIF. MINES LIC. TAX ANNUAL REPRTG. REQUIREMENT TO A QUARTERLY REPORTING REQUIREMENT.....	2-28-83	Brown, B.	3-10-83	BE CONCURRED IN	3-10-83
SB 110	AN ACT TO SPECIFICALLY PROVIDE FOR INTEREST TO BE ASSESSED ON THE MINES NET PROCEEDS AND GROSS PROCEEDS TAXES....	2-4-83	Towe	3-3-83	BE CONCURRED IN	3-4-83
SB 146	AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO THE WATER DEVELOPMENT PROGRAM..	2-3-83	Manning, Dave	3-7-83	BE CONCURRED IN	3-7-83
SB 159	AN ACT TO DELAY THE 1% INCREASE IN THE OIL SEVERANCE TAX....	3-7-83	Keating	3-18-83	BE NOT CONCURRED IN	3-22-83
SB 163	AN ACT RAISING THE PUBLIC CONTRACT VALUE LIMIT FOR EXEMP. FROM LICENSE FEES; AND RAISING THE PUBLIC CONTRACT VALUE LIMIT IN DEFINING A PUBLIC CONTRACTOR..	2-4-83	Van Valkenberg	3-4-83	BE CONCURRED IN	3-4-83
SB 185	AN ACT TO REVISE TAXATION EXEMPTIONS FOR CERTAIN COAL PRODUCERS	2-9-83	Galt	3-9-83	BE CONCURRED IN	3-15-83

sponsor of the bill object to having the study done by the Revenue Oversight Committee. Representative Sands said no.

MS. FEAVER said she did not know that centralization is feasible and should be studied. Mr. Spring said the Council looked at the problem different ways and decided if we should go to a computerized system, it would be best to have that system in Helena. The Council did talk to assessors in other counties as to problems faced every day by assessors.

REPRESENTATIVE REAM asked if the \$2.9 million savings would be in personnel costs. Mr. Spring said that amount would be almost entirely from personnel costs.

The hearing was closed on HB 844.

SENATE BILL 108

SENATOR BOB BROWN, District 10, said SB 108 is similar to SB 72. That bill put resource indemnity trust tax on a quarterly basis. This bill puts the metalliferous mines license tax on a quarterly reporting basis. The taxpayer would still pay the tax on an annual basis but would report on a quarterly. The penalty, as in existing law, would remain at 10% but there would also be a 2% per quarter penalty if the taxpayer does not report quarterly.

Proponents

DON HOFFMAN, representing the Department of Revenue, said the bill was requested to allow the Department to a more indepth review of tax forms when they come in. It would make it easier for the taxpayer to file many of these taxes on one form. Senate Bill 108 make the metalliferous mines tax a self-assessing tax.

There were no opponents testifying on SB 108.

SENATOR BROWN closed his presentation of SB 108.

HOUSE JOINT RESOLUTION 31

REPRESENTATIVE MEL WILLIAMS, District 70, sponsor of HJR 31, said the resolution was presented by recommendation of the Revenue Oversight Committee. House Joint Resolution 31 is a joint resolution of the Senate and the House of Representatives requesting that the Revenue Oversight Committee conduct a comprehensive study of the property tax classification system in the state of Montana.

In the beginning, the property tax was only levied on cattle and land and was the only tax levied. As Montana developed and agriculture developed, Montana picked up more property and brought more things into the personal property system. State government was funded with that tax. Local governments and the state government began running short of money. They needed more money so they went to the severance tax, income tax and property tax. Then they

adopted and implemented, the Revenue Oversight Committee should seek input from farmers, manufacturers, assessors, and anyone else to make a proper study of the inequities.

ELLEN FEAVER, Director of the Department of Revenue, said many states have gone away from the classification system for property tax purposes. Lawsuits that have been filed against the Department of Revenue represent the need for a study on the classification system.

There were no opponents testifying on HJR 31.

Questions were heard from the committee.

REPRESENTATIVE ZABROCKI said there is a movement to abandon all of these studies and put them into a legislative management council. How would that affect this resolution? Representative Williams said he is not familiar with that proposal so he could not speak to it.

REPRESENTATIVE WILLIAMS, in closing, said the Revenue Oversight Committee is the committee to direct this study. They, themselves, cannot do all the necessary work but with help from others with expertise, this study can be done and needs to be done. Hopefully by the next legislature, we can come back with a workable tax program.

REPRESENTATIVE WILLIAMS said, in regard to the budget for this study, that Jim Oppedahl, legislative researcher from the Legislative Council, has been trying to put some figures together and has not completed that task yet. That task should be completed within a couple of days and they will present that information to the legislature.

The hearing on HJR 31 was closed.

CHAIRMAN YARDLEY called the meeting into Executive Session at this time.

EXECUTIVE SESSION

Senate Bill 108

REPRESENTATIVE DOZIER moved SB 108 BE CONCURRED IN.

The motion was voted on and PASSED unanimously.

REPRESENTATIVE KEENAN was assigned to carry the bill in the House.

Senate Bill 242

REPRESENTATIVE HARRINGTON moved SB 242 BE CONCURRED IN.

The motion was voted on and PASSED unanimously.

STANDING COMMITTEE REPORT

March 10, 19 93

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration SENATE Bill No. 108

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color

A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE METALLIFEROUS MINES LICENSE TAX ANNUAL REPORTING REQUIREMENT TO A QUARTERLY REPORTING REQUIREMENT; REQUIRING PAYMENT OF THE TAX TO ACCOMPANY THE FILING OF THE MARCH 1 RETURN; AMENDING SECTIONS 15-37-102, 15-37-104 THROUGH 15-37-106, AND 15-37-108, MCA; AND PROVIDING AN APPLICABILITY DATE."

Respectfully report as follows: That..... SENATE Bill No. 108

~~UNDEP~~ BE CONCURRED IN